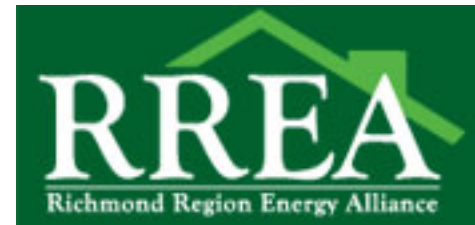


FEASIBILITY STUDY

# MULTIFAMILY HOUSING ENERGY EFFICIENCY RETROFIT PROGRAM



**VCU** L. Douglas Wilder School of Government and Public Affairs

# THE SPLIT INCENTIVE DILEMMA

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- ❑ Market failure
- ❑ Savings that result from the building owner's upgrades are passed on to the tenant.
- ❑ Barrier to energy efficiency upgrades in rental and multifamily housing.

# SOLUTIONS

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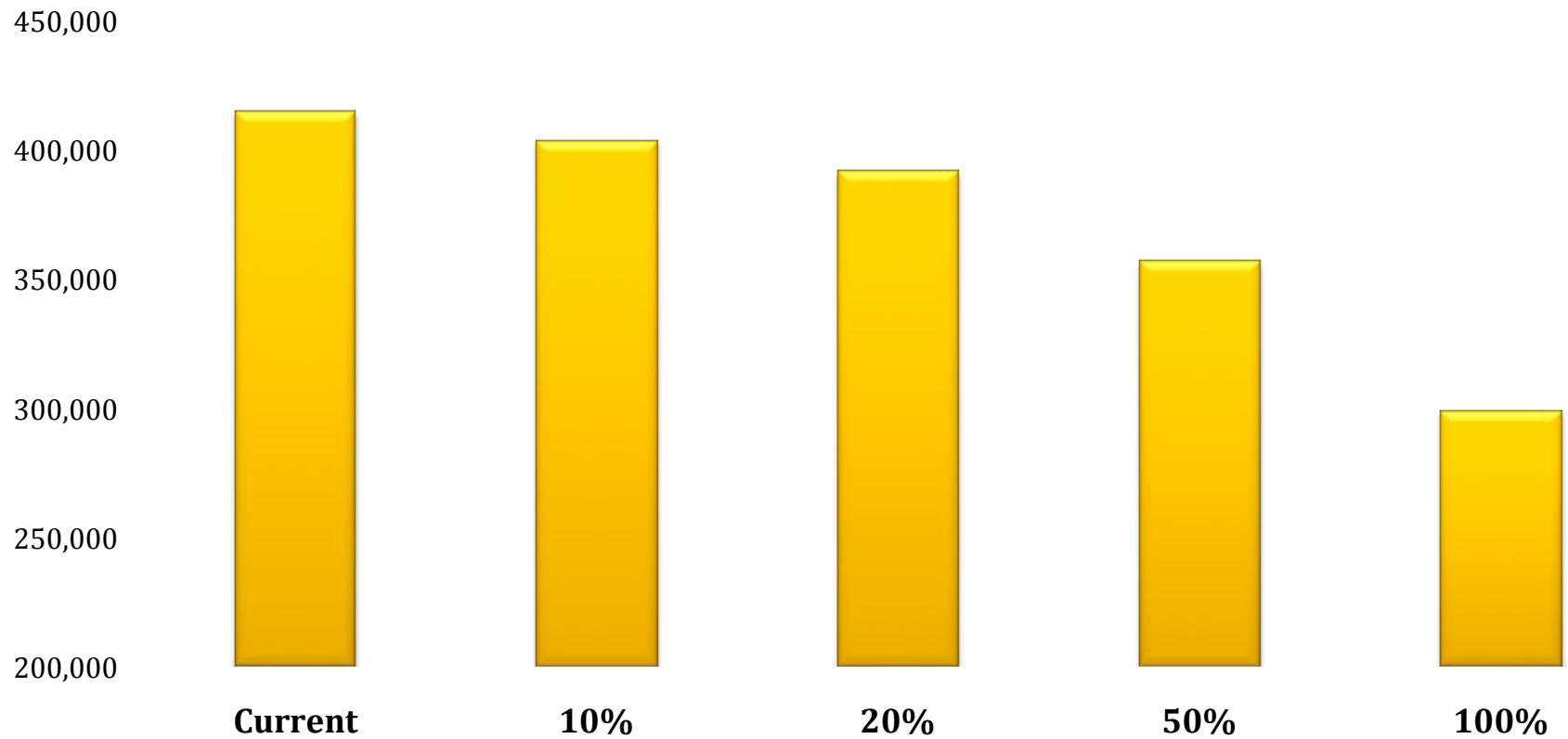
- ❑ Special tax treatment for energy-efficient buildings
- ❑ Energy efficiency mandates
- ❑ Pay As You Save (PAYS)



# REGIONAL GHG EMISSIONS

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## GHG Emissions/Year (MT CO<sub>2</sub>-e)



# INDUSTRY INPUT – SPLIT INCENTIVE

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- ❑ Special Tax Treatment:
  - ❑ Most favorable
- ❑ Local Mandate:
  - ❑ Unpopular
  - ❑ Potential negative impacts
- ❑ “Pay As You Save” (PAYS) programs:
  - ❑ Confusing to residents



# INDUSTRY INPUT – RETROFITTING FACTORS

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- ❑ Long term goals
- ❑ Shorter payback with older buildings
- ❑ Building compatibility with retrofits
- ❑ Competitive marketing edge
- ❑ National firms more likely to retrofit

